

House Watch

A summary of today's House actions;
published daily when the House is in session.



11/8/07

MESSAGES FROM THE SENATE

[HB 4591](#)

(Hopgood)

The bill would amend the Revised School Code to do the following:

- Increase fees for teaching certificates and permits, generally by \$35 and \$20, respectively.
- Require the Department of Education to create a teacher certification database.
- Require the Department to fund the system from the proposed fee increases.
- Require teacher preparation institutions and subject area specialty programs to be approved by the State according to existing administrative rules.
- Provide that teacher preparation programs and specialty programs would be subject to periodic review; establish fees for the periodic review; and require the fee revenue to be deposited in the Teacher-Administrator Preparation and Certification Fund.

- The House concurred in the Senate substitute S-2 [RC 521: 58 yes, 47 no]

[HB 4494](#)

(Cushingberry)

House Bill 4494 would authorize supplemental appropriations for fiscal year (FY) 2006-07

- The House concurred in the Senate amendment [RC 522: 105 yes, 0 no]

FINAL PASSAGE

[HB 5408](#)

(Coulouris)

The bill would amend the Michigan Business Tax to:

- o Repeal the new state tax on selected services immediately after it takes effect December 1, 2007. The new services tax was put in place by Public Act 93 of 2007 (House Bill 5198).

- o Impose an annual surcharge on the tax liability of MBT taxpayers "to meet deficiencies in state funds." The surcharge would be imposed after allocation or apportionment to the state but before calculation of the various credits available under the act. The surcharge would be 32.9 percent for the 2008 tax year and 27.3 percent for the 2009 tax year and beyond.
- o Limit the amount of the surcharge imposed and levied on any one taxpayer so that it could not exceed \$2 million for any single tax year.
- o Impose an alternative surcharge on financial institutions (taxpayers subject to Chapter 2B of the MBT) of 27.7 percent for the 2008 tax year and 23.4 percent for the 2009 tax year and beyond. (The cap would not apply to this alternative surcharge.)
- o Specify that the surcharge would not apply to insurance companies (taxpayers subject to Chapter 2A of the MBT).
- o Retain the Small Business Credit found in Section 417. This credit limits certain firms' MBT tax liability to 1.8 percent of adjusted business income. (Thus the surcharge would not apply to those eligible for that credit.)
- o Revise and make permanent the revenue limit (or rebate trigger). Currently, these provisions apply only to the 2008 through 2010 fiscal years. Also, these provisions currently require the rebate of revenue over the limit to be distributed 50 percent to taxpayers as refunds and 50 percent to the Budget Stabilization Fund. The bill would direct that all excess revenue be distributed to taxpayers as refunds.
- o Hold the School Aid Fund harmless. The earmarking of revenue to the School Aid Fund would be adjusted in order to hold the SAF harmless from the switch from the services tax to the MBT surcharge. This would involve the additional earmarking of \$205 million in FY 2008 and \$250 million in FY 2009.

FISCAL IMPACT: According to the Department of Treasury, the estimated fiscal impact of the repeal of the use tax on services and imposing a surcharge in the Michigan business tax would reduce FY 2007-08 revenue by an estimated \$56.3 million and increase FY 2008-09 revenue by an estimated \$55.9 million.

- Substitute H-1 was adopted
- Meltzer amendment was not adopted
- HB 5408 advanced to 3rd Reading
- HB 5408 was passed [RC 524: 58 yes, 47 no]
- The vote by which HB 5408 was passed was reconsidered
- HB 5408 was passed [RC 525: 58 yes, 48 no]
IE was ordered [No RC]

HB 4557**(LeBlanc)**

House Bill 4557 (as reported from committee) would extend indefinitely the existing military family relief checkoff.

- HB 4557 was passed [RC 523: 105 yes, 0 no]
IE was ordered [No RC]

SECOND READING

HB 4163**(Clack)**

House Bill 4163 would amend Part 126 (Smoking in Public Places) and Part 129 (Food Service Establishments) of the Public Health Code (MCL 333.12601 et al.), generally, to prohibit smoking in public places, in places of employment, and in food service establishments (such as restaurants, cafeterias, and bars). An exception would be made, however, for cigar bars and tobacco specialty retail stores.

- Substitute H-3 was not adopted
- Substitute H-4 was not adopted
- Substitute H-5 was adopted
- Huizenga amendment was not adopted [RC 519: 51 yes, 54 no]
- Huizenga amendment was not adopted
- Jones amendment offered, consideration postponed temporarily
- Mayes amendment was not adopted [RC 520: 52 yes, 49 no]
- Walker amendment was not adopted
- Bill postponed temporarily